

C O N F I D E N T I A L SECTION 01 OF 02 AMMAN 002198

SIPDIS

CPA FOR WETHINGTON, VARDAMAN
TREASURY FOR ZARATE, MILLS, DEMOPULOS

E.O. 12958: DECL: 03/23/2014

TAGS: [EFIN](#) [PREL](#) [IZ](#) [JO](#)

SUBJECT: IRAQI ASSETS IN JORDAN - INVITATION TO THE CPA

REF: A. VARDAMAN-LAWLESS EMAIL (03/21/04)
 [B. LAWLESS-PELOFSKY-SCHEDLBAUER EMAIL](#) (03/12/04)
 [C. HALE-SCHEDLBAUER EMAIL](#) (03/11/04)
 [D. BAGHDAD 25](#)
 [E. AMMAN 1539](#)

Classified By: AMBASSADOR EDWARD W. GNEHM. REASONS 1.5 (B, D).

[¶11.](#) (U) This is an action message. See last Para.

[¶12.](#) (C) SUMMARY: The Government of Jordan (GOJ) late on March 11 passed to Embassy a list of Iraqi counterparties earlier requested by Iraqi and CPA officials to review Iraqi assets frozen in Jordan. The local Rafidain Bank manager has stated his satisfaction with the information and CPA's Office of the General Counsel confirmed (Ref A) that the information the GOJ provided was sufficient. Although the main reason for CPA's proposed trip to Jordan (Ref D) may seem to have been obviated by the GOJ action, senior Jordanian officials have heard conflicting information from Iraqi counterparts on Baghdad's level of satisfaction. In the interest of forging strong Jordan-Iraq relations and ensuring continuing Jordanian cooperation on the return of Iraqi assets, Embassy believes an Iraqi/CPA team should proceed to Amman. A face-to-face exchange will help resolve questions, secure the transfer of all remaining frozen Iraqi assets to the DFI, and develop the strong and positive relationship that we all believe is essential in Jordanian-Iraqi relations in the future. END SUMMARY.

[¶13.](#) (C) Late on March 11, Minister of Finance Mohammad Abu Hammour delivered to the Embassy a list of 113 transactions detailing Iraqi counterparties in Jordan-Iraq commercial dealings, as the USG had earlier requested (Ref E). A member of the technical committee reviewing the information explained to Acting ECON/C that the source of some of the information is sensitive, in that Jordanian banking laws offer broad protections to account holders. He asked that the source of the information -- the Ministry of Finance -- be protected.

[¶14.](#) (SBU) The same day, Acting ECON/C delivered the list to the manager of the Amman branch of the Rafidain Bank, Mr. Hasan Aba-Thar, who reviewed the contents (Ref C). Mr. Aba-Thar reviewed the information on counterparties and said it met the needs of the Iraqi side. The information would be used to confirm independently the counterparty information his bank employees had already been able to assemble, he asserted. When asked, he said that he was satisfied with the number of accounts listed. He said that he would report the information back to the CBI on the next business day.

[¶15.](#) (SBU) March 12, Embassy sent copies of the counterparties list to CPA and to NEA/ARN (Ref B), and subsequently followed up with John Vardaman of the CPA Office of the General Counsel. According to initial reviews of the documents provided, CPA Office of the General Counsel confirmed that the information the GOJ provided was sufficient to conduct a meaningful review of individual Jordanian commercial claims against Iraq (Ref A).

[¶16.](#) (C) In a more recent conversation with the Ambassador and CPA Deputy Administrator Amb. Richard Jones (details septel), Foreign Minister Marwan Muasher said that he had heard conflicting reactions to GOJ actions on Iraqi assets. While the U.S., including in testimony to Congress, had welcomed the GOJ's actions, Iraqi Foreign Minister Zebari was less warmly receptive. Iraqi Finance Minister Kamel al-Keylani seemed cool to Jordan's actions to date and insisted on a higher level of cooperation from Jordanian authorities, including on unspecified amounts beyond the USD 550 million in Iraqi assets initially identified. Muasher stressed to Ambassadors Gnehm and Jones that he was very emphatic with his Iraqi interlocutors that Jordan desired only the very best of relations with the new Iraq and he committed himself and the GOJ to do whatever was necessary to resolve any and all problems, including the assets claims issue. When al-Keylani said that they (the Iraqis) were aware of a larger number of accounts in Jordanian banks with assets the Iraqis believed should be seized, Muasher urged al-Keylani to give him more specific information and he promised to pursue a Jordanian government investigation into those assets.

17. (C) ACTION REQUEST: We strongly believe a CPA/Iraqi team visit to Amman, as we have previously discussed, should proceed. While the information provided by the GOJ appears adequate and responsive to CPA/Iraqi requests, in and of itself it does not get us to the bottom line we all seek -- mutual resolution of any existing Jordanian claims that then leads to the immediate transfer of all remaining frozen Iraqi assets to the DFI. Abu Hammour has told us that he would hold off paying further commercial claims against the Iraqi trade ledger accounts, but he has repeatedly stated that he is under growing pressure to pay off proven claims. It is in the long-term interest of the USG to resolve this matter expeditiously (Ref D), which in turn facilitates strong Jordan-Iraq relations and continuing Jordanian cooperation on many fronts. The CPA/Iraqi team visit, with Muasher's involvement, would also help clear up any lingering misunderstandings and forge a more direct dialogue on assets -- thus easing us out of a mediating role. We would hope a visit could move all parties a big step closer to reaching closure on this matter.

GNEHM